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STATE OF WASHINGTON
GAMBLING COMMISSION

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GAMBLING COMMISSION
COMM & LEGAL DIVISIONGAMBLING COMMISSION
COMM & LEGAL DEPTBy Fax 11/12/09 *[Signature]*Suspension of
the Licenses to Conduct Gambling Activities of:)

NO. CR 2009-00995

AAA Bowl Unlimited, Inc.
d/b/a Skyway Park Bowl Rest/Lounge
11819 Renton Avenue
Seattle, Washington,)

SETTLEMENT ORDER

Licensee.)
_____)

This Settlement Order is entered into between the Washington State Gambling Commission and Skyway Park Bowl Restaurant & Lounge. H. Bruce Marvin, Assistant Attorney General, and Melinda Froud, Acting Administrator, represent the Commission. David Pardey, owner represents the licensee.

I.

The Washington State Gambling Commission issued Skyway Park Bowl Restaurant & Lounge, organization number 00-06373, the following licenses:

- Number 67-00014, Authorizing Class "15" House-Banked Card Room Activity.
- Number 05-02696, Authorizing Class "H" Punchboard/Pull-Tab Activity.
- Number 53-00645, Authorizing Class "A" Commercial Amusement Games.

The licenses expire on September 30, 2010, and were issued subject to the licensee's compliance with state gambling laws and regulations.

II.

In the above-entitled case, the Gambling Commission issued a Notice of Administrative Charges and Opportunity for an Adjudicative Hearing on July 15, 2009, seeking the suspension or revocation of Skyway Park Bowl Restaurant & Lounge's licenses to conduct gambling activities. On August 3, 2009, Commission staff received the licensee's request for a hearing.

The following facts and violations were alleged in the Notice of Administrative Charges:

- 1) The licensee failed to keep legible, accurate, and complete records of all transactions relating to the revenues, costs, and expenses of the gambling operation. As a result, the licensee was not able to ensure consistency, comparability, and effective disclosure of financial information in violation of WAC 230-15-730.
- 2) The licensee failed to submit its financial statements in violation of WAC 230-15-740. The statements were due on April 30, 2009. In March 2009, the licensee requested and was granted

an extension of the deadline to July 1, 2009. However, the licensee submitted its financial statements on October 13, 2009.

3) The licensee has the following administrative history:

- In July 2007, a verbal warning was issued to the licensee for failing to ensure effective disclosure of financial information. (CR 2007-01389)
- In October 2008, administrative charges were issued against the licensee because on eight separate occasions, the licensee failed to have sufficient cash in its cashier's cage before opening for business. Also, the licensee has failed to pay \$143,865.02 in gambling taxes owed to King County. In March of 2009, the licensee agreed to a twenty-day suspension, with eighteen days deferred, one day vacated by a fine of \$5,000, and one day vacated by the licensee's submission of verifiable and acceptable evidence of its compliance with the minimum cash on hand requirements. (CR 2008-01479)

4) Grounds exist to suspend or revoke AAA Bowl Unlimited, Inc., d/b/a Skyway Park Bowl's licenses under RCW 9.46.075(1) and WAC 230-03-085(1) and (7).

5) It is also a violation of the March 2009 Settlement Order for CR 2008-01479 and constitutes grounds to impose the eighteen-day deferred suspension pursuant to that Settlement Order.

RCW 9.46.075(1) Denying, suspending, or revoking an application, license

The Commission may deny an application, or suspend or revoke any license or permit issued by it, for any reason or reasons, it deems to be in the public interest. These reasons shall include, but not be limited to, cases wherein the applicant or licensee, or any person with any interest therein: (The following subsections apply)

(1) Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW and any amendments thereto, or any rules adopted by the Commission pursuant thereto, or when a violation of any provision of chapter 9.46 RCW, or any Commission rule, has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control.

WAC 230-03-085 Denying, suspending, or revoking an application, license

We may deny, suspend, or revoke any application, license or permit, when the applicant, licensee, or anyone holding a substantial interest in the applicant's or licensee's business or organization:

(The following subsections apply)

(1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075.

(7) Fails to provide us with any information required under Commission rules within the time required, or, if the rule establishes no time limit, within thirty days after receiving a written request from us.

WAC 230-15-740 Preparing financial statements

Filing with the Commission.

(The following subsections apply)

(2) House-banked card game licensees must submit financial statements covering all financial activities of the licensees' business premises for each business year within one hundred twenty days following the end of their business year.

(3) We may authorize a sixty-day extension if a licensee submits a written request explaining the need for the extension.

WAC 230-15-730 Keeping an accounting system.

(The following subsections apply)

(1) House-banked card game licensees must keep and maintain a complete set of accounting records which we have approved before licensure. These records must include all receipts and disbursements of the licensee, including, at least, those related to gambling activities.

Revenue, costs, and expenses.

(2) Licensees must keep legible, accurate, and complete records of all transactions relating to the revenues, costs, and expenses of the gambling operation. Licensees must keep these records in a format that ensures consistency, comparability, and effective disclosure of financial information.

IV.

Skyway Park Bowl Restaurant & Lounge has waived its right to a hearing, based on the terms and conditions of this Settlement Order. On October 13, 2009, the licensee submitted its financial statements for Fiscal Year 2008. The licensee is now in compliance with its financial records and agrees to the following terms and sanctions:

1) Skyway Park Bowl Restaurant & Lounge's gambling licenses are hereby suspended for a period of **fifteen (15) days**, provided that:

a) **Thirteen (13) days** of the suspension shall not be currently served, but shall be deferred for a period of one year from the date of entry of this Settlement Order, subject to the following: The licensee agrees not to violate the terms of this Settlement Order, or any of Washington's gambling statutes or regulations during the one (1) year term. If the licensee violates this Settlement Order or gambling statutes or regulations, and if the violation is the type that warrants the filing of administrative or criminal charges, then the Director may impose the thirteen-day deferred suspension of the current gambling licenses and any subsequently acquired gambling licenses.

b) The parties agree that the Director of the Washington State Gambling Commission, pursuant to this agreement, has discretion to determine whether the licensee has violated any term of this agreement. In the event the Director determines that a violation of this agreement has occurred, he may suspend the license(s) issued to the licensee for up to thirteen days, by mailing or delivering a Notice of Order of Administrative Charges to the licensee. This suspension shall be in addition to any consequences of the new violation. The licensee shall be afforded the opportunity to have an Adjudicative Proceeding, which includes a hearing on the alleged violations.

- c) Pursuant to RCW 9.46.077, the licensee has chosen to vacate the remaining **two (2) days** of this suspension by paying administrative costs of **Five thousand, Five hundred and Three dollars (\$5,503)**.
- d) The licensee agrees that it shall be responsible for obtaining Bankruptcy Court approval for payment of the \$5,503 fine, and shall secure approval on or about November 23, 2009, at the licensee's next bankruptcy hearing, or within 30 days of the entry of this Order.
- e) If the licensee fails to secure Bankruptcy Court approval for payment of the \$5,503 fine to the Commission within 30 days of the of the entry of this Order or at the licensee's next bankruptcy hearing, the Director may issue new administrative charges seeking the suspension or revocation of Skyway Park Bowl's licenses.
- f) **The fine shall be paid in three installments over a three month period.**
 - i. The first installment of \$1,835 shall be due within 30 days after the licensee obtains Bankruptcy Court approval for payment of the \$5,503 fine.
 - ii. The second installment of \$1,834 shall be due within 30 days after the first installment is due.
 - iii. The final installment of \$1,834 shall be due within 30 days after the second installment is due.
- g) Additionally, the licensee will vacate **two (2) days of the previously deferred suspension** from the March 2009 Settlement Order for CR 2008-01479 by reimbursing the Commission for the costs of two follow up inspections. The two inspections shall be made before April 30, 2010. The costs shall be paid within thirty (30) days after the licensee receives notice of the costs of such inspections.
- h) Commission agents may conduct additional compliance inspections before April 30, 2010. However, the licensee will only be required to reimburse the Commission for two of the compliance inspections.
- i) **The signed order must be received by Commission staff on or before November 13, 2009.** Payment must be **mailed** to Commission Headquarters at the following address:

Washington State Gambling Commission
Attention: Communications and Legal Division – Fines
P.O. Box 42400
Olympia, WA 98504-2400

or **delivered** (in person or via private courier) to the following address:

Washington State Gambling Commission
4565 7th Avenue SE; Fourth Floor
Attention: Communications and Legal Division – Fines
Lacey, WA 98503

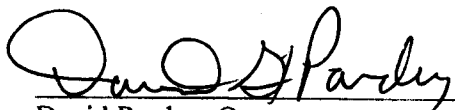
- j) If the licensee makes its payments as provided in this settlement, including timely reimbursement for costs incurred from follow up inspections, this case will be closed. However, if the licensee fails to timely make any of the payments as provided in this settlement, the Director may impose an additional two (2) day suspension for each late payment. Serving the suspension would not, however, relieve the licensee of its obligation to pay its fine.

DATED this 23rd day of November, 2009.



Administrative Law Judge

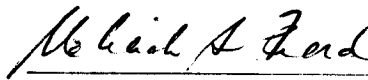
APPROVED FOR ENTRY:

By the signature below, the licensee acknowledges reading the Settlement Order, and understands the terms and conditions contained in it.

 11-12-09
David Pardey, Owner (Date)
AAA Bowl Unlimited, Inc. d/b/a Skyway
Park Bowl Restaurant & Lounge

APPROVED AS TO FORM:

 11-17-09
H. Bruce Marvin, WSBA #25152 (Date)
Assistant Attorney General,
Representing the Washington
State Gambling Commission

 11-13-09
Melinda Froud, WSBA #26792 (Date)
Acting Administrator
Washington State Gambling Commission